

STATEMENT OF BASIS (AI No. 8007)

For the draft Louisiana Pollutant Discharge Elimination System permit No. LA0102407 to discharge to waters of the State of Louisiana.

THE APPLICANT IS: Florida Gas Transmission Company, LLC (FGT)
 Zachary No. 8 Compressor Station
 8100 Big Lake Road
 Lake Charles, Louisiana 70605-0300

ISSUING OFFICE: Louisiana Department of Environmental Quality (LDEQ)
 Office of Environmental Services
 Post Office Box 4313
 Baton Rouge, Louisiana 70821-4313

PREPARED BY: Valerie Powe
 Water Permits Division
 Telephone: (225)219-3135
 valerie.powe@la.gov

DATE PREPARED: November 9, 2009

I. PERMIT STATUS

A. Reason For Permit Action:

Proposed reissuance of a Louisiana Pollutant Discharge Elimination System (LPDES) permit for a five year term following regulations promulgated at LAC 33:IX.2711/40 CFR 122.46. Upon the effective date, this permit shall replace the previously effective LPDES permit LA0102407.

LAC 33:IX Citations: Unless otherwise stated, citations to LAC 33:IX refer to promulgated regulations listed at Louisiana Administrative Code, Title 33, Part IX.

40 CFR Citations: Unless otherwise stated, citations to 40 CFR refer to promulgated regulations listed at Title 40, Code of Federal Regulations in accordance with the dates specified at LAC 33:IX.4901, 4903, and 2301.F.

B. LPDES permit - LPDES permit effective date: October 1, 2003
 LPDES permit expiration date: September 30, 2008

The LPDES permit expired on September 30, 2008 and the application for renewal was received April 3, 2008; therefore, the permit was administratively continued. Additional information was received via e-mail on December 24, 2009 and January 11, 2010.

II. FACILITY INFORMATION

A. Location - 8406 Lower Zachary Road, Zachary, Louisiana

B. Applicant Activity -

According to the application, the Zachary No. 8 Compressor Station is an existing natural gas compressor station. The facility receives natural gas transported via underground pipelines and compresses the gas to further move gas downstream to end users.

Statement of Basis for
 Florida Gas Transmission Company, LLC
 Zachary No. 8 Compressor Station
 LA0102407, AI No. 8007
 Page 2

C. FEE RATE

1. Fee Rating Facility Type: minor
2. Complexity Type: II
3. Wastewater Type: III
4. SIC code: 4922

D. LOCATION – 8406 Lower Zachary Road, Zachary, East Baton Rouge Parish (Latitude 30° 38' 3.18", Longitude 91° 07' 4.7")

E. Facility Effluent Flow ~ 160 GPD

III. RECEIVING WATERS

STREAM – the roadside ditch along Lower Zachary Road thence to the Comite River

BASIN AND SEGMENT – Pontchartrain Basin, Segment 040102

DESIGNATED USES -

- a. primary contact recreation
- b. secondary contact recreation
- c. propagation of fish and wildlife
- d. outstanding natural resources

In accordance with LAC 33:IX.1111, "designated uses of drinking water supply, oyster propagation and/or outstanding natural resource waters apply only to the waterbodies specifically named in Table 3 (LAC 33:IX.1123) and not to any tributaries and distributaries to such waterbodies which are typically contained in separate subsegments".

IV. OUTFALL INFORMATION

Outfall 002

- A. **Discharge Type:** Intermittent discharge of stormwater runoff, de minimis discharge of cooling tower blowdown, and previously monitored effluent from Internal Outfall 102
- B. **Treatment:** none
- C. **Location:** at the point of discharge from the sump pump located on the northeast side of the facility to the roadside ditch along Lower Zachary Road prior to mixing with other waters (Latitude 30° 38' 3", Longitude 91° 06' 58")
- D. **Flow:** 160 GPD
- E. **Receiving Waters:** discharge to the roadside ditch along the Lower Zachary Road thence to the Comite River
- F. **Basin and Segment:** Lake Pontchartrain Basin, Segment No. 040102

Statement of Basis for
Florida Gas Transmission Company, LLC
Zachary No. 8 Compressor Station
LA0102407, AI No. 8007
Page 3

Outfall 102

- A. Discharge Type: Intermittent discharge of engine washdown, engine jacket water, engine room floor drainage from leaks, and groundwater/stormwater infiltration wastewater
- B. Treatment: oil/water separation, oil & particle filtration, and activated carbon filtration
- C. Location: at the point of discharge from the polishing filters located within the water treatment building on the east side of the station prior to mixing with the evaporation/percolation pond and other waters of Final Outfall 002 (Latitude 30° 37' 58", Longitude 91° 06' 57")
- D. Flow: 60 GPD
- E. Receiving Waters: via Outfall 002; thence to the roadside ditch along Lower Zachary Road, and thence to the Comite River
- F. Basin and Segment: Lake Pontchartrain Basin, Segment No. 040102

V. PROPOSED CHANGES FROM PREVIOUS PERMIT

Removal of Outfalls 003, 103, 004, and 005

Florida Gas is requesting the removal of Outfalls 003, 103, 004, and 005 from the permit. Below is a summary of their request:

Outfalls 103 and 004

In 2004, the effluent from the sanitary treatment unit for Outfalls 103 and 004 was rerouted to a sprinkler application of treated effluent onto station property. FGT received a letter from Florida Gas on December 9, 2004 stating authorization was granted from the East Baton Rouge Parish Health Services Office for the installation of an on-site spray irrigation system for treated sanitary wastewater. Therefore, FGT no longer discharges through Outfalls 103 and 004.

Outfalls 003 and 005

Outfall 003 originally discharged stormwater and treated sanitary wastewater. Since the effluent from the sanitary treatment unit was rerouted to a sprinkler application of treated effluent onto station property, the treated sanitary effluent is no longer discharged through Outfall 003. Outfall 005 has always discharged stormwater from the north central portion of the facility to the Lower Zachary Road roadside ditch. Based upon SIC Code 4922, Natural Gas Transmission, the facility is exempt from permitting requirements of stormwater discharges. Therefore, FGT is requesting these outfalls are removed in the reissued permit.

LDEQ's Response

Removal of Outfalls 103 and 004: Based on the information received from the Department of Health and Hospitals (DHH) dated December 23, 2009, FGT received approval for the installation of its on-site spray irrigation system for treated sanitary wastewater. Therefore, this Office has approved the removal of Outfalls 103 and 004.

Statement of Basis for
 Florida Gas Transmission Company, LLC
 Zachary No. 8 Compressor Station
 LA0102407, AI No. 8007
 Page 4

Exemption of Outfalls 005 and 003: In accordance with LAC 33:IX.2511.A.2.b, field activities or operations associated with oil and gas explorations, production, processing, or treatment operations or transmission facilities may not require a permit for discharge of stormwater runoff. Accordingly, Outfall 005 and Outfall 003 are exempt from effluent limitations and monitoring requirements.

Additional Changes

Permitting requirements related to the submittal of Discharge Monitoring Reports (DMRs) have been updated to include new language which allows for electronic DMRs. Additionally, the statistical basis for flow has been changed to a monthly average and daily maximum. This change is based on Best Professional Judgment (BPJ) and facilities with similar discharges. Therefore, flow will include Report as the monthly average and daily maximum for Outfalls 002 and 102.

In accordance with General Rationale for Natural Gas Processing Plants and Compressor Stations, the visible sheen requirement has been deleted for stormwater runoff, equipment washwater, and cooling tower blowdown/boiler blowdown. Therefore, visible sheen has been removed from Outfall 002.

VI. PERMIT LIMIT RATIONALE

The following sections set forth the principal facts and the significant factual, legal, methodological, and policy questions considered in preparing the draft permit.

Outfall 002, Intermittent discharge of stormwater runoff, de minimis discharge of cooling tower blowdown, and previously monitored effluent from Internal Outfall 102

Parameter	Monthly Average	Daily Maximum	Frequency	Sample Type
Flow, GPD	Report	Report	1/quarter	Estimate
TOC	---	50 mg/L	1/quarter	Grab
Oil and Grease	---	15 mg/L	1/quarter	Grab
pH (s.u)	6.0 min	9.0 max	1/quarter	Grab

Site-Specific Consideration(s)

Flow – based on BPJ and facilities with similar discharges and established in accordance with LAC 33:IX.2707.1.1.b at a frequency of 1/quarter. Therefore, flow will include Report as the monthly average and daily maximum. These requirements are included in the administratively continued LPDES permit, effective October 1, 2003.

TOC – effluent limitations are based on BPJ and established in accordance with General Rationale for Natural Gas Processing Plants and Compressor Stations at a frequency of 1/quarter. These requirements will be retained from the administratively continued LPDES permit, effective October 1, 2003.

Oil and Grease - effluent limitations are based on BPJ and established in accordance with General Rationale for Natural Gas Processing Plants and Compressor Stations at a frequency of 1/quarter. These requirements will be retained from the administratively continued LPDES permit, effective October 1, 2003.

Statement of Basis for
 Florida Gas Transmission Company, LLC
 Zachary No. 8 Compressor Station
 LA0102407, AI No. 8007
 Page 5

Oil and Grease - effluent limitations are based on BPJ and established in accordance with General Rationale for Natural Gas Processing Plants and Compressor Stations at a frequency of 1/quarter. These requirements will be retained from the administratively continued LPDES permit, effective October 1, 2003.

pH - effluent limitations are based on BPJ and established in accordance with LAC33:IX.1113.C.1 at a frequency of 1/quarter. These requirements have been retained from the administratively continued LDEPS permit, effective October 1, 2003.

Outfall 102, Intermittent discharge of engine washdown, engine jacket water, engine room floor drainage from leaks, and groundwater/stormwater infiltration wastewater

Parameter	Monthly Average	Daily Maximum	Frequency	Sample Type
Flow, GPD	Report	Report	1/month	Estimate
COD	---	125 mg/L	1/month	Grab
Oil and Grease	---	15 mg/L	1/6 months	Grab
TSS	---	45 mg/L	1/month	Grab

Site-Specific Consideration(s)

Flow – based on BPJ and facilities with similar discharges and established in accordance with LAC 33:IX.2707.I.1.b at a frequency of 1/month. Therefore, flow will include Report as the monthly average and daily maximum. These requirements are included in the administratively continued LPDES permit, effective October 1, 2003.

COD – effluent limitations are based on BPJ and established in accordance with General Rationale for Natural Gas Processing Plants and Compressor Stations at a frequency of 1/month. These requirements will be retained from the administratively continued LPDES permit, effective October 1, 2003.

Oil and Grease – effluent limitations are based on BPJ, established in accordance with General Rationale for Natural Gas Processing Plants and Compressor Stations, and consistent with the Multi-Sector General Permit at a frequency of 1/6 months. These requirements will be retained from the administratively continued LPDES permit, effective October 1, 2003.

TSS - effluent limitations are based on BPJ, established in accordance with General Rationale for Natural Gas Processing Plants and Compressor Stations, and consistent with the Multi-Sector General Permit at a frequency of 1/month. These requirements will be retained from the administratively continued LPDES permit, effective October 1, 2003.

Statement of Basis for
Florida Gas Transmission Company, LLC
Zachary No. 8 Compressor Station
LA0102407, AI No. 8007
Page 6

VII. TMDL Waterbodies

Outfall 002 and Internal Outfall 102

The discharges from this facility include intermittent discharge of stormwater runoff, de minimis discharge of cooling tower blowdown, and previously monitored effluent from Internal Outfall 102 (engine washdown, engine jacket water, engine room floor drainage from leaks, and groundwater/stormwater infiltration wastewater).

Subsegment 040102, Comite River is on LDEQ's Final 2006 303(d) list for Pathogen Indicators. The TMDL is due March 31, 2011. Fecal coliform colonies are an indicator of pathogens in the receiving waters. Based on the application submitted to this Office, the facility has requested removal of Internal Outfall 103 and Outfall 004 for treated sanitary wastewater. The de minimis amount of effluent from the sanitary treatment unit for both outfalls has been re-routed to an on-site spray irrigation system and absorbed into the ground. This wastewater will not discharge to waters of the state and not cause or have a reasonable potential to contribute to an effluent violation above any present state water quality standards.

The Department of Environmental Quality reserves the right to impose more stringent discharge limitations and/or additional restrictions in the future to maintain the water quality integrity and the designated uses of the receiving water bodies based upon additional TMDL's and/or water quality studies. The DEQ also reserves the right to modify or revoke and reissue this permit based upon any changes to be established. TMDL's for this discharge, or to accommodate for pollutant trading provisions in approved TMDL watersheds as necessary to achieve compliance with water quality standards.

VIII. COMPLIANCE HISTORY/COMMENTS

A. Compliance History

Air:

Compliance Order/Notice of Potential Penalty AE-CN-07-0174 was issued on January 31, 2008 for an exceedance of Carbon Monoxide (CO) at Emission Point EQT 003. The test results indicate the measured average hourly rate of CO for Emission Point EQT 003 was 6.68 lb/hr which exceeds the CO permit limit of 6.2 lb/hr.

Other Media: None

B. Inspections

A Hurricane Facility Assessment was conducted on September 18, 2008 to determine operational status. It was concluded that major flooding occurred as a result of Hurricane Gustav; however, the facility was operating.

Spill

On October 17, 2006, FGT reported a spill of 500 barrels of compressor lubricating oil to the ground. The spill was caused by a filter case o-ring during a high pressure flushing operation of the lubricating system compressor unit. The area affected was covered with six inches of crushed rock. Oil Mop, LLC recycled the recovered oil and the stained rocks were disposed of in an approved landfill. The spill was contained on-site and groundwater and surface was not impacted.

Statement of Basis for
 Florida Gas Transmission Company, LLC
 Zachary No. 8 Compressor Station
 LA0102407, AI No. 8007
 Page 7

C. DMR Review/Excursions

A review of the Discharge Monitoring Reports (DMRs) from June 2006 to June 2009 revealed the following exceedances:

Date	Parameter	Permit Limit	Sample Measurement	Outfall
10-12/07	pH (max) s.u.	9.0	9.83	002
10-12/07	pH (max) s.u.	9.0	9.58	005
06/07	TSS (max) mg/L	45	55	102

IX. "IT" QUESTIONS - APPLICANT'S RESPONSES

This is an existing facility. IT questions were not required to be addressed.

X. ENDANGERED SPECIES

The receiving waterbody, Subsegment 040201 of the Pontchartrain Basin is not listed in Section 11.2 of the Implementation Strategy as requiring consultation with the U.S. Fish and Wildlife Service (FWS). This strategy was submitted with a letter dated November 11, 2010 from Rieck (FWS) to Nolan (LDEQ). Therefore, in accordance with the Memorandum of Understanding between the LDEQ and the FWS, no further informal (Section 7, Endangered Species Act) consultation is required. It was determined that the issuance of the LPDES permit is not likely to have an adverse effect on any endangered or candidate species or the critical habitat. The effluent limitations established in the permit ensure protection of aquatic life and maintenance of the receiving water as aquatic habitat. Therefore, the issuance of the LPDES permit is not likely to have an adverse effect on any endangered or candidate species or the critical habitat.

XI. HISTORIC SITES

The discharge is from an existing facility. There should be no potential effect to sites or properties on or eligible for listing on the National Register of Historic Places, and in accordance with the "Memorandum of Understanding for the Protection of Historic Properties in Louisiana Regarding LPDES Permits" no consultation with the Louisiana State Historic Preservation Officer is required.

XII. TENTATIVE DETERMINATION

On the basis of preliminary staff review, the Department of Environmental Quality has made a tentative determination to permit the discharges described in the application.

XIII. PUBLIC NOTICES

Upon publication of the public notice, a public comment period shall begin on the date of publication and last for at least 30 days thereafter. During this period, any interested persons may submit written comments on the draft permit and may request a public hearing to clarify issues involved in the permit decision at this Office's address on the first page of the statement of basis. A request for a public hearing shall be in writing and shall state the nature of the issues proposed to be raised in the hearing.

Statement of Basis for
Florida Gas Transmission Company, LLC
Zachary No. 8 Compressor Station
LA0102407, AI No. 8007
Page 8

Public notice published in:

Local newspaper of general circulation

Office of Environmental Services Public Notice Mailing List

XIV. STORMWATER POLLUTION PREVENTION PLAN (SWP3) REQUIREMENT

The SWP3 shall be modified, implemented, and maintained within six (6) months of the effective date of the final permit. The plan should identify potential sources of stormwater pollution and ensure the implementation of practices to prevent and reduce pollutants in stormwater discharges associated with industrial activity at the facility.